FIGURE 1

SCHEMATIC FLOWCHART OF: OPEN END MUTUAL FUND INDEX COMPUTER PROGRAM

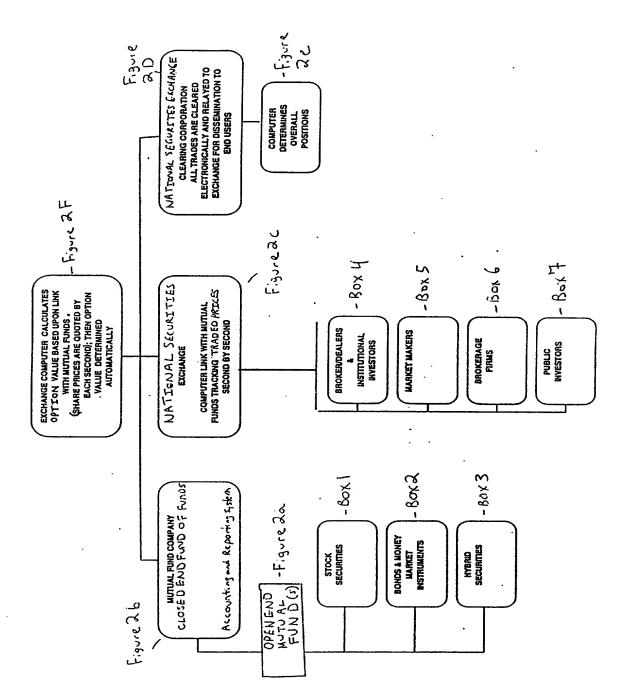
GENERAL DATA PROCESSING COMPUTER SYSTEM: MEMORY STORAGE - FIGURE CONTAINS MASTER DATABASE OF OPEN END MUTUAL FUND STATISTICS 1A PREFERRED SPECIFICATION OF COMPUTER: CDROM DRIVE, MONITOR HARD DRIVE CONTAINING 420 MEGABYTES 8 MEGABYTES RAM, 486 CPU ELIMINATE THOSE FUNDS IN MASTER DATABASE WHERE **FIGURE** FUNDS ARE MARKED "NOT AVAILABLE FOR PURCHASE". 1B PUT REMAINING FUNDS IN NEW DATABASE: "DATABASE #1" ELIMINATE ALL FUNDS IN DATABASE #1 WHERE ASSET SIZE IS NOT EQUAL TO "USER DEFINED" STORING REMAINING FUNDS IN NEW - FIGURE DATABASE: "DATABASE #2" 1C SEARCH DATABASE "DATABASE #2" FOR THOSE -FIGURE FUNDS WHERE CATEGORY OF INVESTMENT STYLE 1D ="USER DEFINED" AND PLACE IN NEW DATABASE: "DATABASE #3" FIGURE 1F FIGURE 1E SEARCH DATABASE#3 AND SELECT SEARCH DATABASE #3; SELECT THOSE FUNDS WHERE RISK OVER TIME FUNDS WHERE RETURN OVER TIME (T) > (T) < AVERAGE OF ALL FUNDS IN AVERAGE OF ALL FUNDS IN DATABASE #3 WHERE TIME (T) = "USER DEFINED" AND DATABASE#3 WHERE TIME(T) = "USER DEFINED" AND RISK =
"USER DEFINED". STORE SELECTED STORE IN NEW DATABASE NAMED: "DATABASE #4" FUNDS IN NEW DATABASE NAMED: DATABASE #5

COMBINE DATABASE "4" AND DATABASE "5" INTO NEW DATABASE NAMED: "INDEX" _ FIGURE 1**G** _ FIGURE CREATE CONSTANT "NUMBER"; "NUMBER"= "USER DEFINED" TOTAL NUMBER OF OPEN END MUTUAL FUNDS 1H TO BE INCLUDED WITHIN THE DATABASE "INDEX" CREATE CONSTANT NAMED"CALCULATION" WHERE "CALCULATION" = "USER DEFINED" CHOICE OF <EQUALLY PRICE WEIGHTED>, <CAPITALIZATION WEIGHTED>, <GEOMETRICALLY WEIGHTED>, OR <CUSTOM WEIGHTED> - FIGURE 1 T CREATE FORMULA: "OPTIMAL RISK/RETURN (T)" WHERE "OPTIMAL RISK/RETURN (T)" = "TOTAL RISK/RETURN(T)"-"TOTAL RISK/RETURN (T-1)" - FIGURE IF "TOTAL RISK/RETURN(T)" < "TOTAL 1.J RISK/RETURN T-1" THEN REPEAT UNTIL "TOTAL RISK/RETURN" YIELDS A GROUP OF FUNDS WHERE NUMBER = "NUMBER"AND NO OTHER COMBINATION OF FUNDS YIELDS A LOWER RISK/RETURN RATIO OVER TIME (T) AND NAME "FINAL INDEX" - FIGURE CREATE FORMULA "TOTAL RISK/RETURN" WHERE "TOTAL RISK RETURN" = SUM (TOTAL RISK FOR 1K ALL FUNDS IN INDEX/TOTAL RETURN FOR ALL FUNDS IN INDEX) " FOR TIME PERIOD (T) - FIGURE PRINT OUT A CHART OF "FINAL INDEX" FOR IL TIME (T). RETURN TO FIGURE 1A TO REPEAT

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13

PROCESS FOR INTRA-DAY TRADING OF SECURITIZED OPEN END MUTUAL FUND, INDEX AND LINKED DERIVATIVE SECURITIES



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